

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2109 - SB 2150

March 7, 2022

SUMMARY OF BILL: Requires doula services be provided to TennCare recipients by an individual certified by the Department of Health (DOH). Establishes requirements that a doula must meet in order to receive certification.

FISCAL IMPACT:

Increase States Revenue - \$35,700/FY22-23
\$24,500/FY24-25 and Subsequent Years

Increase State Expenditures – Net Impact –
\$537,800/FY22-23
\$836,400/FY23-24 and Subsequent Years

Increase Federal Expenditures – Net Impact –
\$627,000/FY22-23
\$1,253,900/FY23-24 and Subsequent Years

Assumptions:

- According to the U.S. Bureau of Labor Statistics, in May 2020 there were 70 nurse midwives in Tennessee. Since prior to the proposed legislation there was no state certification for doulas, for purposes of this analysis it is estimated that the number of doulas is about the same as nurse midwives.
- Although the proposed legislation allows for DOH to set the process for doula certification, it is assumed that the certification fee will be the same as it is for midwifery, which is \$510. Therefore, assuming all doulas would seek state certification, that would lead to an increase in state revenue of \$35,700 (\$510 x 70).
- Assuming the certification would be similar to midwifery in terms of renewal, which requires licensure renewals biennially for a fee of \$700, this would lead to an increase every two years of \$49,000 (\$700 x 70), or an average of \$24,500 per year beginning in FY24-25.
- The Division of TennCare (Division) covered 41,108 pregnancies in calendar year 2020, which is assumed to remain stable into the future.
- It is assumed that 15 percent of pregnant women will utilize doulas, or 6,166 (41,108 x 15%) women annually.

- The cost of coverage per doula is estimated to be \$700. This would lead to an increase in expenditures of \$4,316,200 (6,166 x \$700) annually. Medicaid expenditures receive matching funds at a rate of 66.165 percent federal funds to 33.835 percent state funds. Of this amount, \$1,460,386 ($\$4,316,200 \times 33.835\%$) will be in state funds and \$2,885,814 ($\$4,316,200 \times 66.165\%$) will be in federal funds.
- Doulas are not currently licensed providers in Tennessee. Therefore, if the certification process described in the proposed legislation does not provide appropriate licensure, then the full standard federal match rate could be at risk.
- According to information gathered from Healthy and Free Tennessee, the average savings per Medicaid birth using a doula is about \$400. This could mean a potential decrease in total expenditures of \$2,466,400 (6,166 x \$400). Of this amount, \$834,506 ($\$2,466,400 \times 33.835\%$) will be in state funds and \$1,631,894 ($\$2,466,400 \times 66.165\%$) will be in federal funds.
- Due to the time to establish the certification process, the first-year impact (FY22-23) is assumed to be half of the full-year impact. Therefore, the net increase in state expenditures is estimated to be \$312,940 [$(\$1,460,386 - \$834,506) \times 50\%$] in FY22-23 and \$625,880 ($\$1,460,386 - \$834,506$) in FY23-24 and subsequent years; the net increase in federal expenditures is estimated to be \$626,960 [$(\$2,885,814 - \$1,631,894) \times 50\%$] in FY22-23 and \$1,253,920 ($\$2,885,814 - \$1,631,894$) in FY23-24 and subsequent years.
- The proposed legislation requires DOH to create and implement a certification process. To effectively accomplish this, DOH will require the follow new staff positions:
- Two new Administrative Services Assistant 4s will be required, creating a recurring increase in state expenditures of \$130,472 [$(\$50,004 \text{ salary} + \$15,232 \text{ benefits}) \times 2$] in FY22-23 and subsequent years and a one-time cost of \$9,600 for computer equipment.
- One new Public Health Nursing Consultant 2 will be required, created a recurring increase in state expenditures of \$79,998 ($\$62,664 \text{ salary} + \$17,334 \text{ benefits}$) in FY22-23 and subsequent years, and a one-time cost of \$4,800 for computer equipment.
- The total net increase in state expenditures will be \$537,810 ($\$312,940 + \$130,472 + \$9,600 + \$79,998 + \$4,800$) in FY22-23, and \$836,350 ($\$625,880 + \$130,472 + \$79,998$) in FY23-24 and subsequent years.

IMPACT TO COMMERCE:

**Increase Business Revenue – \$1,164,800/FY22-23
\$2,090,300/FY23-24 and Subsequent Years**

**Increase Business Expenditures – Exceeds \$33,700/FY23-24
Exceeds \$24,500/FY24-25 and Subsequent Years**

Assumptions:

- The proposed legislation makes changes to the Division and DOH only, not private insurance providers.

- The proposed legislation will create an increase in business revenue of \$1,164,800 in FY22-23 and \$2,090,300 in FY23-24 and subsequent years to doula providers.
- There will be a suspected increase in business expenditures to doula as a result of certification fees, estimated to be \$35,700 ($\510×70) in FY23-24.
- Assuming the certification would be similar to midwifery in terms of renewal, which requires licensure renewals biennially for a fee of \$700, this would lead to an increase every two years of \$49,000 ($\700×70), or an average of \$24,500 per year beginning in FY25-26.
- There may also be an increase in the number of doula as a result of increased business. However, that increase cannot be adequately estimated given existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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